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ODIN ENERGY LIMITED

27 OCTOBER 2011

QUARTERLY REPORT

FOR THE 3 MONTHS ENDED 30 SEPTEMBER 2011

HIGHLIGHTS

- Gas production from the Galveston 307 project, Odin's joint venture with Kilgore Oil and Gas Ltd, averaged over 4,600 MCFEPD.

Operations

Galveston 307 Prospect (Snipe, Egret and Sandpiper), Texas State Waters (WI 5.625% NRI 4.5%)

Production during the quarter ending 30 September 2011 was approximately 417,021 MCF of gas and 1,310 Barrels of condensate (approximately 36,898 MCF and 117 BC net to Odin). Average production during the quarter was over 4,618 MCFEPD (409 MCFEPD net to Odin).

Corporate

Legal Action

The Company is continuing its legal action against Blue Energy Ltd and Great Artesian Oil and Gas Ltd (a subsidiary of Drillsearch Energy Ltd (DSL)) for the recovery of \$4.5m plus interest and all associated costs.

Future Projects

The Board of Odin continues to evaluate various investment opportunities but will await the sale of the Galveston assets and the finalization of the aforementioned legal action before proceeding.

For Further Information Contact:

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Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

ODIN ENERGY LIMITED

ABN

75 124 491 416

Quarter ended ("current quarter")

30 September 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	321	321
1.2 Payments for		
(a) exploration and evaluation	-	-
(b) development	-	-
(c) production	(126)	(126)
(d) administration	(257)	(257)
(e) litigation costs	(349)	(349)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	50	50
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(361)	(361)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a)prospects	-	-
(b)equity investments	(10)	(10)
(c)other fixed assets	-	-
1.9 Proceeds from sale of:		
(a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (net assets and liabilities acquired)	-	-
Net investing cash flows	(10)	(10)
1.13 Total operating and investing cash flows (carried forward)	(371)	(371)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(371)	(371)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (capital raising costs)		
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(371)	(371)
1.20	Cash at beginning of quarter/year to date	1,484	1,484
1.21	Exchange rate adjustments to item 1.20	21	21
1.22	Cash at end of quarter	1,134	1,134

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	64
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Consulting and directors fees.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	Nil	Nil
3.2	Credit standby arrangements	Nil	Nil

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	-
4.2	Development	-
4.3	Production	100
4.4	Administration	125
	Litigation costs	180
Total		405

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	741	1,254
5.2	Deposits at call-litigation bank guarantee	393	230
5.3	Bank overdraft		
5.4	Other (provide details)		
Total: cash at end of quarter (item 1.22)		1,134	1,484

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>	7,000 (convertible preference shares)	Unquoted class		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	- -			
7.3 +Ordinary securities	189,160,034	189,160,034		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	- -	- -		
7.5 +Convertible debt securities <i>(description)</i>	-			
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -			
7.7 Options <i>(description and conversion factor)</i>	Unlisted - 1,000,000 1,000,000 105,364,999	105,364,999	<i>Exercise price</i> 25 cents 50 cents 25 cents	<i>Expiry date</i> 31 Dec 2012 31 Dec 2012 30 Nov 2012
7.8 Issued during quarter	-			
7.9 Exercised during quarter	-			
7.10 Expired during quarter	-			
7.11 Debentures <i>(totals only)</i>	-			
7.12 Unsecured notes <i>(totals only)</i>	-			

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~does not~~* (*delete one*) give a true and fair view of the matters disclosed.



Sign here:
(~~Director~~/Company secretary)

Date: ..26 Oct 2011

Print name: .R. Berzins.....

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.